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## MEMORANDUM

TO: The Honorable City Council  
Marcus D. Jones, City Manager

CC TO: Ronald H. Williams, Deputy City Manager

FROM: Kristen M. Lentz, P.E., Director of Utilities

SUBJECT: A Resolution to Support a Rail Enhancement Fund Grant Application

DATE: January 20, 2016

On the January 26, 2016 Regular Agenda, City Council will be considering a resolution to support a Rail Enhancement Fund grant application by Commonwealth Railway which incorporates relocation of a City of Norfolk water transmission main into a rail yard expansion project. If approved by Virginia Department of Rail and Public Transportation, the grant would cover 70% of the water main relocation and the City of Norfolk would be responsible for the other 30%, which is estimated at approximately \$2.7 million.

Commonwealth Railway is preparing a grant application to expand their rail yard in the City of Suffolk in support of a larger project to grow rail capabilities at the Virginia International Gateway Terminal. The cities of Norfolk and Portsmouth both have water transmission mains located on railroad property in the area where the rail yard is to be expanded. Under existing license agreements, each city is required to relocate its water main out of the railroad property at 100% city expense upon request of the railroad. Commonwealth Railway is including the water main relocations in their application so that Norfolk and Portsmouth will only have to bear 30% of the cost of the water pipeline relocation. Department of Utilities staff from Norfolk and Portsmouth are planning to partner on land acquisition, design, and construction to further reduce costs.

Norfolk will fund its 30% from existing authorizations for improving water pipeline infrastructure. The due date for the grant application is February 1, 2016 for funding in FY 2017.

Staff points of contact:

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